



## Early Journal Content on JSTOR, Free to Anyone in the World

This article is one of nearly 500,000 scholarly works digitized and made freely available to everyone in the world by JSTOR.

Known as the Early Journal Content, this set of works include research articles, news, letters, and other writings published in more than 200 of the oldest leading academic journals. The works date from the mid-seventeenth to the early twentieth centuries.

We encourage people to read and share the Early Journal Content openly and to tell others that this resource exists. People may post this content online or redistribute in any way for non-commercial purposes.

Read more about Early Journal Content at <http://about.jstor.org/participate-jstor/individuals/early-journal-content>.

JSTOR is a digital library of academic journals, books, and primary source objects. JSTOR helps people discover, use, and build upon a wide range of content through a powerful research and teaching platform, and preserves this content for future generations. JSTOR is part of ITHAKA, a not-for-profit organization that also includes Ithaka S+R and Portico. For more information about JSTOR, please contact [support@jstor.org](mailto:support@jstor.org).

## RECENT CASES

BANKS AND BANKING—INSOLVENCY—CLAIMS—DEPOSITS.—GONYER v. WILLIAMS, 143 PAC. (CAL.) 736.—*Held*, where a bank received on deposit a check on another bank, and immediately placed the amount thereof to the credit of the depositor, although the check was not presented to, or paid by the drawee bank, until the next day, at which time the former bank was insolvent, this crediting of the amount to the depositor made the bank a general debtor, not a trustee to collect.

When the payee of a check endorses it to his bank for deposit, and sends it to his bank and it is so credited, this made a complete negotiation, with the right of the bank to charge back in case the check was not paid. *American T. & S. Bank v. Manufacturing Co.*, 150 Ill. 336.

But when the bank becomes a purchaser of the check, it is a debtor and has no right to charge back. *Taft v. National Bank*, 172 Mass. 363; *Walton v. Riverside Bank*, 60 N. Y. Supp. 519.

When a bank gives to one of its depositors credit on his pass book for checks drawn on it by another of its depositors, having on its books ample funds to pay them, such credit is equivalent to a payment in cash. *Bryan v. Bank*, 205 Pa. 7. But if the funds are insufficient, it may charge back the amount of the check. *Ocean Park Bank v. Rogers*, 92 Pac. (Cal.) 879; *Contra*. *Addie v. National Bank*, 45 N. Y. 735; *Bank v. Bank*, 129 App. Div. (N. Y.) 540, 121 N. Y. Supp. 892.

But if the amount has never been credited on the books, though the depositor was notified that it was, this does not amount to making the bank a debtor. *Bank v. Bank*, 141 App. Div. (N. Y.) 475; *National Gold Bank & Trust Co. v. McDonald*, 51 Cal. 64, *semble*.

Checks deposited with a bank and credited in the depositor's pass book are taken for collections and not for cash, whether the check is drawn on the same bank or another. *Bank v. McDonald*, 51 Cal. 64; *Rapp v. Bank*, 136 Pa. 426. *Contra*, *Jaffee v. Weld*, 132 N. Y. Supp. 505; *Lyons v. Bank*, 135 N. Y. Supp. 121.

BILLS AND NOTES—HOLDER FOR VALUE—DEPOSIT CREDIT ENTRY.—WILLIAMSON BANK & TRUST CO. v. MILES, 169 S. W. (ARK.) 368.—*Held*, that a bank purchasing a note in good faith, and giving the seller credit on account, becomes thereby a bona fide holder for value, although no draft or payment has been made against the credit.

The payment for deposited paper by transfer of credit to the account of another at the order of the depositor is universally held to cut off the equities of prior parties to the instrument. *City Deposit Bank Co. v. Green*, 130 Iowa 384. The relinquishment of old security is sufficient payment of value with reference to the paper substituted. *Allentown Nat. Bank v. Clay Product Supply Co.*, 217 Pa. 128. So long, however, as the item of deposit merely stands as a credit entry without set-off on the depositor's account, the bank is not, by the decisive weight of American authority, a holder for value. *First Nat. Bank v. McNairy*, 122 Minn. 255; *Nat. Bank v. Foley*, 54 Misc. Rep. (N. Y.) 126; *Queen*